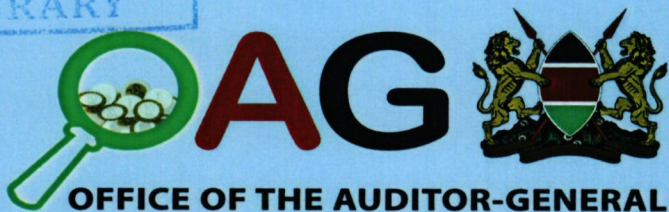


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Enhancing Accountability

REPORT

THE NATIONAL ASSEMBLY
PAPERS LAID

DATE: 23 FEB 2022

DAY

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OF
TABLED
BY:

The Majority Whip
Hon. E. Wangwe, MP

CLERK AT
THE TABLE:

Benson Luzoju

THE AUDITOR-GENERAL

ON

NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND –
GALOLE CONSTITUENCY

FOR THE YEAR ENDED
30 JUNE, 2020



**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND -
GALOLE CONSTITUENCY**

REPORTS AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2020**

Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector
Accounting Standards (IPSAS)

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
GALOLE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

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GALOLECONSTITUENCY
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For the year ended June 30, 2020

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

To provide leadership and policy direction for effective and efficient management of the Fund

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)

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Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

(b) Key Management

The NG-CDF Galole Constituency day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NG-CDFB)
- ii. National Government
- iii.
- iv. Constituency Development Fund Committee (NG-CDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2020 and who had direct fiduciary responsibility were:

No.	Designation	Name
1.	A.I.E holder	HUSSEIN M.ABDULLAHI
2.	Sub-County Accountant	SOSPETER KIBOBO
3.	Chairman NG-CDFC	NATHAN ODDO
4.	Secretary NG-CDFC	MARYAM MOHAMUD

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NG-CDF Board provide overall fiduciary oversight on the activities of NG-CDF – Galole Constituency. The reports and recommendation of ARMC when adopted by the NG-CDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) NG-CDF Galole Constituency Headquarters

P.O. Box 129-70101
Hola
Behind Deputy County Commissioners Office,
Hola, Kenya

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
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(f) NG-CDF Galole Constituency Contacts

Telephone: (254) 720 020647
E-mail: cdfgalole@NG-CDF.go.ke
Website: www.NG-CDF.go.ke

(g) NG-CDF Galole Constituency Bankers

Kenya Commercial Bank Ltd,
Hola Branch
P.O.Box 129-70101 Hola Kenya

(h) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

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II.FORWARD BY THE CHAIRMAN NG-CDF COMMITTEE

Through the Initiative of the GOK, Galole stands as one of the constituencies that had tremendous achievement in the implementation of public projects geared towards social-economic development of the region.

Since its inception, NG-CDF has stood with us as a unique government programme that had uplifted the living standards of our people. Through NG-CDF we have had uncountable number of classrooms started in Galole, several Secondary Schools initiated and thousands of students sponsored in Secondary Schools, Colleges and Universities. In Support of the Presidency' Big 4 Agenda, Galole NG-CDF has supported students undertaking Medical and Teaching Courses.

NG-CDF had helped this constituency realised some dreams which have been delayed or would not have been possible to achieve in Galole Constituency.

During the Fiscal year 2019/2020, Galole NG-CDF received Kshs 137,367,724.10. The Constituency was able to utilise Kshs 131,126,733 of these funds (63%). The reports indicate the funds haven't been utilised 100% as 63% that is Ksh. 23,813,259 of total allocation for financial year 2019/2020 is yet to be received as at 30th June, 2020.

NG-CDF was able to implement various development projects in the constituency which have added value to the services and development programmes essential for the achievement of social-economic progress in the society. In Line with Government Vision to realise economic growth in the regions, it has spurred vibrant life among local communities.

NG-CDF is making critical investments in public projects and the demands for NG-CDF projects is rising day by day. Galole NG-CDFC has paid over Kshs 45 Million in Bursary during the Financial year which was still inadequate.

Despite its minimal annual allocation, NG-CDF had tried to balance the needs of the community and prioritized development activities at location and ward levels. Every two years Galole NG-CDFC conduct a public forum where members of the public gather to give their priority projects. Based on the priorities raised funds are allocated to implement various projects.

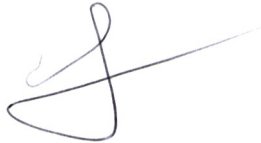
However Much NG-CDFC tries to balance the needs, still more challenges abound. These includes increased needs due to awareness creations, minimal funding, competition over the scarce funds by various projects and communities, political influences from competitors and limited functions. Since NG-CDF is a National Government Fund, it is only allowed by Law to finance National Government functions.

Through proper planning, NG-CDF Galole is able to balance the needs of the projects and ensure key and priority projects that have maximum impact on the community are financed.

As Galole NG-CDFC Chairman I wish to give the following recommendations to the Government and other stakeholders to help NG-CDF realise its development dreams:

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- That at least the NG-CDF funding be raised from the current 2.5% of the revenue to a higher percentage to ensure increased funding to support development projects at the grassroots. NG-CDF has since inception done wonderful grassroots development programmes.
- That NG-CDF be allowed to fund projects that falls outside the national government functions to ensure an all inclusive development projects that covers all sectors.
- That NG-CDF be given an opportunity to partner with Donors and other development partners such as World Bank and International Donor Agencies to promote development projects in the communities.



.....
NATHAN ODDO.
CHAIR, GALOLE NG-CDFC

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)

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III. STATEMENT OF PERFORMANCE AGAINST CONSTITUENCY'S PREDETRMINED OBJECTIVES

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of NG-CDF- Galole Constituency's 2018-2022 plan are to:
(Enumerate all the objectives of the constituency as per the Strategic Plan)

1. To improve access to affordability and availability of quality education in Galole Constituency
2. To harness talent and empower youth
3. To cater for any unforeseen occurrences in the constituency.
4. To promote environmental sustainability in the constituency
5. To enhance security in the constituency
6. To improve the tracking of implementation of NGCDF programmes
7. To promote the performance management of and smooth running of the NGCDF office.

Progress on attainment of Strategic development objectives

For purposes of implementing and cascading the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement: Below we provide the progress on attaining the stated objectives:

Constituency Program	Objective	Outcome	Indicator	Performance
Education	To improve access to affordability and availability of quality education in Galole Constituency	Increased enrolment in primary schools and improved transition to secondary schools and tertiary institutions	number of usable physical infrastructure build in primary, secondary, and tertiary institutions number of bursary beneficiaries at all levels	In FY 19/20 Number of form one enrollment increased from 2,000 to 3,000 Number of Bursary fund beneficiaries increased from 2000 to 2,800
Security	To enhance security in the constituency	Reduction in crime rate Secure business environment	Improving security infrastructure	Secure business environment Number of security personnel staff quarters increased from 3 to 10
Environment	To promote	Increase in	Adopting	Number of public

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	environmental sustainability in the constituency	knowledge, skills and passion for sustainable environment	environmental friendly practices promotional talks on increasing forest cover and environmental conservation	toilets constructed from 0 to 6
Sports	To harness talent and empower youth	Decreased dependency ratio in crime rate Increased number of youth engaged in gainful employment	Sponsor sports tournaments Provide sports equipment (balls and uniforms) to sports teams	Number of tournaments increased from 0 to 1
Disaster Management	To cater for any unforeseen occurrences in the constituency	Decrease in number of constituents affected by flood	Decrease in number of constituents flood victims in Galole	In 2019-20 F/Y we distributed food ratio to flood victims to 100 households

IV. CORPORATE SOCIAL RESPONSIBILITY STATEMENT/SUSTAINABILITY REPORTING

NG-CDF – Galole Constituency exists to transform lives. This is our purpose; the driving force behind everything we do. It’s what guides us to deliver our strategy, which is founded on social sector, namely; Education & Training, Security Sector Support, Environment, and Sports. This pillar also makes special provisions for Kenyans with various disabilities and previously marginalized communities.

1. Sustainability strategy and profile –

The Constituency Committee has continued to provide sustainability approach in relation to the management of projects, to increase effective and efficient delivery of services to the public. In this regard, the constituency has employed certain metrics and standards that are needed during project identification through feasibility studies, formulation, design, appraisal, funding, implementation, monitoring, and evaluation.

Through its strategic plan, the Galole National Government Constituency Development Fund Committee found it necessary to undertake a comprehensive analysis of the social, economic, legal, cultural, educational, and political environments for project implementation. The project philosophy, mission, vision, values, goals, and objectives were articulated and this informs the annual planning of constituency activities. The involvement of stakeholders from all the four Wards and technical Government representatives is a key strength for our project sustainability. It is through these elements that the Committee has enhanced sustainability which in turn have determined project relevance, acceptability, political expediency, viability and adaptability of the project. Other factors such as financial analysis against the needs especially on bursary consideration, risk analysis based on the NGCDF Board guidelines and trainings, communication and network determination, annual operational plans drawn from the strategic plan, training of Constituency committee members and staff, and capacity building of PMCs, environmental and

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)

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community analysis to determine the needs have also continued to support the sustainability of projects in the constituency.

Political demands and expectations have always been the key challenge especially when the demands for the scarce resources increase. At times we are compelled to postpone some of these demands that in most cases were not factored in the strategic plan

2. Environmental performance

Environmental sustainability refers to concerted efforts put in place by the Committee to mitigate against environmental degradation. It is the maintenance of factors and practices that contribute to the quality of environment on a long term basis. The National Environmental Management Authority (NEMA) has but in place Performance Contract Guidelines for all Ministries, Departments and Agencies (MDAs) provide that institutions undertake an Audit to establish extent of compliance with and enforcement of the constitution and other statutory obligations.

These guidelines provide a framework for environmental sustainability audit for MDAs consistent with the provisions of EMCA. During the self-audit, and using the guidelines provided by the Board on Environmental sustainability, the Galole NGCDF has continued to implement environmental sustainability programmes while undertaking project activities. These guidelines have enabled the committee to focus on planning for environmental sustainability by making decisions and taking action that are in the interests of protecting the natural world, with particular emphasis on preserving the capacity of the environment to support human life.

The committee provides Annual environmental audit reports and forwards them to the Board. Environmental education and awareness are other focus for the Constituency. This entails understanding the fragility of our constituency environment and the importance of its protection. The Committee need to make all their staff aware of their relationship with the environment from a social, ecological and economic perspective. The same understanding and awareness should be extended to other stakeholders and the local community.

3. Employee welfare

The Occupational Health and Safety Act (OSHA) provide for the health, safety and welfare of persons employed, and all persons lawfully present at workplaces and related matters. The Galole NGCDFC understands the fact that it has an obligation to provide and maintain systems and procedures of work that are safe and without risk to workers' health. The Committee ensures safety and absence of risks to health in connection with the use, handling, storage and transport of articles and substances. There have been continued awareness sessions to the Committee members, Staff and even project management teams to provides such information, instruction, training and supervision of workers as is necessary and very crucial in maintenance of safe and healthy workplace. Currently, we don't have safety and occupation policy from the Board.

As regards to the reward system, the leadership of the constituency has provided a conducive environment for working space. We currently have an office that is well equipped and furnished to provide a good ambience for staff. Workers are well informed of any risks and imminent dangers related to new technologies and are encouraged to participate in the application and review of safety and health measures at the constituency.

4. Market place practices-

The NGCDFC acknowledges the Fund's critical role in shaping markets to maximize community access to NGCDF activities and further emphasizes its desire for the Fund to more actively shape markets for items and activities undertaken to optimize price, quality, design and sustainable supply of materials and services.

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The Committee also recognizes that, Fund is well positioned to drive value for money and leverage its role as the primary financier of essential sectors in the community to improve quality, price, design, and sustainable supply of project activities. Through its decision, the NGCDFC has recognized the importance of the Prequalification of service providers and contractors that has results in lower prices as well as increased leverage and negotiation power with clients. The Fund recognizes that this will lead to increased market transparency and competition, resulting in greater affordability, as well as facilitating the adoption of innovative skills in quality projects. The Committee has a fiduciary responsibility to protect the interest of the public. The Committee commits to continue undertaking this duty.

5. Community Engagements-

The NGCDF Act, 2015- as amended, provides that the projects implemented under the Act must be community based and therefore should be implemented to a wide cross section of the community. This therefore means that there is need to engage the community in the following areas:

- a. Project design, selection and identification
- b. Project Implementation
- c. Social Audits
- d. Sustainability and maintenance of the projects

The Constituency Committee has ensured that this works well through enabling relationships and building trust over time. Community engagement events are planned and designed with this in mind and aim to contribute to the overall aims of the engagement process. The Committee involves the community in decision making process and procurement of materials and services for the community. Community or voluntary groups may be in most times allowed to participate at a range of levels – from providing advice to co-designing the process and from undertaking some aspects of the engagement to delivering projects to meet some of the outcomes.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)

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V. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

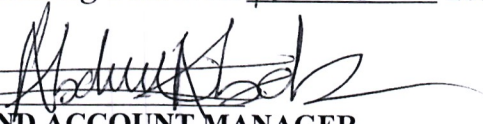
The Accounting Officer in charge of the NG-CDF-Galole Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2020. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.


The Accounting Officer in charge of the NG-CDF- Galole Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *entity's* financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2020, and of the entity's financial position as at that date. The Accounting Officer charge of the NG-CDF- Galole Constituency further confirms the completeness of the accounting records maintained for the *entity*, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

The Accounting Officer in charge of the NG-CDF- Galole Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

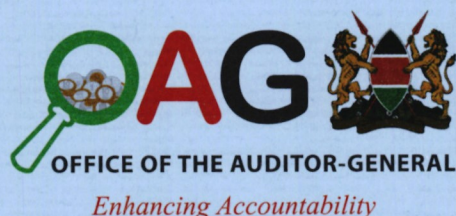
The NG-CDF- Galole Constituency financial statements were approved and signed by the Accounting Officer on 13-03-2021.


FUND ACCOUNT MANAGER
NAME: HUSSEIN ABDULLAHI


NATIONAL SUB-COUNTY ACCOUNTANT
NAME: SOSPETER KIBOBO
ICPAK M. NO: 20424

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
E-mail: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



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Anniversary Towers
Monrovia Street
P.O. Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - GALOLE CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2020

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund - Galole Constituency set out on pages 12 to 43, which comprise the statement of financial assets and liabilities as at 30 June, 2020 and the statement of receipts and payments, statement of cash flows and summary statement of appropriation: recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the National Government Constituency Development Fund-Galole as at 30 June, 2020 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the Public Finance Management Act, 2012.

Basis for Qualified Opinion

1.0 Unsupported Expenditure on Use of Goods and Services

During the year under review, the fund spent Kshs.13,858,597 on use of goods and services, out of which Kshs.6,509,300 was spent on committee allowance while conducting monitoring and evaluation of projects implemented through NGCDF within Galole Constituency and also sitting allowances for Constituency Development Fund Committee. An amount of Kshs.2,450,000 was also spent on domestic travel and training expenses. However, audit examination of payment vouchers and other supporting documents revealed that expenditure totalling Kshs.5,474,300 had the following anomalies;

- i. Lists of the projects visited and reports on monitoring and evaluation of the projects visited were not used to support the expenditure and was not availed for audit review.

- ii. The mode of transport used by the committee during the monitoring and evaluation was not indicated and there were no work ticket/bus tickets used to support the expenditure.
- iii. The payment schedule for the expenditures did not specify the period when the monitoring and evaluation exercise was conducted. Further, the schedule supporting the payments were not signed by the members receiving the allowances.
- iv. An amount of Kshs.510,000 paid as sitting allowances to Constituency Development Fund Committee was not supported with minutes , invitation letters and attendance register for the meetings.
- v. Domestic travel and training payments totalling Kshs.2,450,000 were not supported with the relevant documents such as work ticket/ bus ticket, invitation letter to attend training and training program.

In the circumstances, the validity of expenditure of Kshs.5,474,300 on use of goods and services could not be confirmed.

2.0 Unsupported Other Grants and Transfers

As disclosed under Note 7 to the financial statements, the statement of receipts and payments reflects other grants and transfers balance of Kshs.62,965,812. The following observations were made: -

2.1 Unsupported Expenditure on Sports Items

During the year under review, the Fund utilized Kshs.2,550,000 on supply and delivery of sports items within the constituency. However, audit examination of payment vouchers and procurement files revealed that the expenditures were not supported with relevant documentations such as NG-CDFC minutes authorizing payments, professional opinion from Sub County Head of Procurement on award of contract, tender opening minutes, receipts and counter receipts vouchers and delivery notes.

In the circumstances, validity of the expenditure of Kshs.2,550,000 on sports projects could not be confirmed

2.2 Irregular Expenditure on Emergency Projects

The other grants and transfer balance include an amount of Kshs.12,016,131 incurred on implementation of emergency projects during the year under review. However, audit review of the expenditure revealed that the payments were not supported with relevant documents to justify that project implemented were emergency cases within the constituency. The NG-CDF could therefore be funding projects from the emergency fund which do not meet the criteria in Section 8 of the National Government Constituencies Development Fund Act, 2015.

Further, an amount of Kshs.1,928,000 was paid for supply and delivery of food items, sanitizers and hand wash tanks to flood victims and school children. However, the

expenditures were not supported with waybills or distribution schedules in various delivery centers and the survey report on the number of people affected. The date and specific venue where the items were distributed was also not indicated.

In the circumstances, validity of the expenditure of Kshs.12,016,131 on emergency projects could not be confirmed.

2.3 Unaccounted Bursary Funds

Included in Other Grants and Transfers payments is Kshs.45,899,681 incurred on bursaries to various secondary schools and tertiary institutions for the benefit of needy students within the constituency. However, examination of payment vouchers and other supporting documents revealed that Kshs.11,133,000 disbursed to various institutions were not acknowledged through official receipts or acknowledgement letters by the beneficiary institutions.

In addition, the Fund did not maintain a register to record the cheques issued for payment of bursaries.

Under the circumstances, the accuracy, completeness and validity of the other grants and transfers balance of Kshs.62,965,812 reflected in the statement of receipts and payments for the year ended 30 June, 2020 could not be ascertained.

3.0 Acquisition of Assets

As disclosed under Note 8 to the financial statements, the statement of receipts and payments reflects a balance of Kshs.3,244,231. Included in this amount is Kshs.3,239,223 paid to a contractor for the construction of NG-CDF Offices at Galole Sub County. However, the payment was not supported by a completion certificate and an inspection and acceptance report. In addition, physical verification carried out on 3 March, 2021 revealed that although the building had been done up to the roofing stage, other works including flooring, plastering, fixing of doors and windows had not been done and the project had been abandoned with no ongoing construction activities.

In the circumstances, the validity of expenditure of Kshs.3,239,223 on construction of building could not be confirmed.

4.0 Unsupported Expenditure on Primary Schools Projects

Transfer to Other Government Units figure of Kshs.48,331,623 reflected under Note 6 to the financial statements includes an amount of Kshs.32,290,000 transferred to Project Management Committees (PMCs) that were implementing projects in various primary schools within the constituency. However, examination of payment vouchers totalling to Kshs.16,920,000 together with the respective project files revealed that the payments were not supported with project files containing tender documents such as advertisements of the projects, tender opening minutes, evaluation and awarding minutes, contract agreements, inspection and acceptance reports, site meeting minutes, certificate of practical completion, bills of quantities, evaluation minutes, professional opinion by the head of procurement and company profiles of the winning and losing bidders.

Further, the Project Management Committees (PMCs) bought a 46 seater school bus for Daku Secondary School at a cost of Kshs.6,637,000, However, the payment was not supported by a contract agreement, a local purchase order, a delivery note, project management committee bank statements and a pre - delivery inspection report for the bus from the ministry of Transport Infrastructure & Urban Development, Public Works and Shipping & Maritime Affairs.

In circumstances, the propriety of the expenditure on Transfer to Other Government Units of Kshs.13,557,000 as at 30 June, 2019 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituency Development Fund - Galole in accordance with ISSAI 130 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. I have determined that there are no Key Audit Matters to communicate in my report.

Other Matter

Budget Performance and Projects Implementation Management

During the year under review, the Fund spent Kshs.131,126,733 out of the actual receipt of Kshs.182,927,190 which comprised unspent fund balance of Kshs.45,549,465 for financial year 2018/2019 and receipts from NGCDF Board of Kshs.137,372,724 for the year under audit resulting in unutilized total balance of Kshs.51,800,457 as at 30 June, 2020.

Further, the Fund Committee had allocated a total of Kshs.107,606,261 for 63 projects, out of which 20 projects were completed, 17 projects were still ongoing at the end of the financial year 2019/20, and 27 projects were not implemented.

Failure to complete the projects within the stipulated period may have denied the constituents the much-desired services.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matter described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else

has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

Non-Compliance with Budget Preparation Procedures

Audit review of the Fund Budget preparation documents such as Code List and the Authority to Incur Expenditure (AIE) files revealed that open forum public meetings were not conducted prior to submission of budget proposals to National Government Constituency Development Fund Board (NGCDFB) for approval. Budget proposals was not supported with public participation meetings minutes on deliberations concerning development matters for each ward. Further, there was no program of events and a list of priority projects as evidence of public participation in public forums from each ward availed for audit review Contrary to the requirements of Section 27(1) of the National Government Constituency Development Fund Act, 2015.

Consequently, the budget preparation may have not gone through the relevant stages of the budget.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

As required by Section 7(1)(a) of the Public Audit Act, 2015 based on the audit procedures performed, I confirm that, nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal control, risk management and overall governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion

Responsibilities of Management and those charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as Management determines is necessary to enable the preparation of financial statements that are free from material

misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and overall governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless Management is aware of the intention to abolish the Fund or to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in

accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.


Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of the Fund to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances

I communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide Management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and where applicable, related safeguards.


CPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

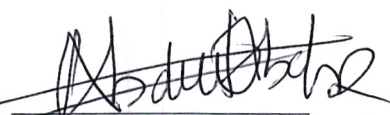
03 February, 2022


NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
GALOLE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2019 - 2020	2018 - 2019
		Kshs	Kshs
RECEIPTS			
Transfers from NG-CDF board	1	137,367,724	121,794,452
Proceeds from Sale of Assets	2	-	-
Other Receipts	3	5,000	15,000
TOTAL RECEIPTS		137,372,724	121,809,452
PAYMENTS			
Compensation of employees	4	2,426,470	3,078,617
Use of goods and services	5	13,858,597	10,226,114
Transfers to Other Government Units	6	48,331,623	41,700,574
Other grants and transfers	7	62,965,812	50,239,179
Acquisition of Assets	8	3,244,231	-
Other Payments	9	300,000	8,485,408
TOTAL PAYMENTS		131,126,733	113,729,892
SURPLUS/(DEFICIT)		6,245,992	8,079,560

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF- Galole Constituency financial statements were approved on 13-03-2021 and signed by:


FUND ACCOUNT MANAGER
NAME: HUSSEIN ABDULLAHI


NATIONAL SUB-COUNTY ACCOUNTANT
NAME: SOSPETER KIBOBO
ICPAK M. NO: 20424

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
GALOLE CONSTITUENCY
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VI. STATEMENT OF ASSETS AND LIABILITIES

	Note	2019-2020	2018-2019
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	51,795,457	45,549,465
Cash Balances (cash at hand)	10B	-	-
Total Cash and Cash Equivalents		51,795,457	45,549,465
Accounts Receivable			
Outstanding Imprests	11	-	-
TOTAL FINANCIAL ASSETS		51,795,457	45,549,465
FINANCIAL LIABILITIES			
Retention	12A	-	-
Deposits (Gratuity)	12B	-	-
TOTAL FINANCIAL LIABILITES			
NET FINANCIAL ASSETS		51,795,457	45,549,465
REPRESENTED BY			
Fund balance b/fwd	13	45,549,465	37469905
Prior year adjustments	14	-	-
Surplus/Deficit for the year		6,245,992	8,079,560
NET FINANCIAL POSITION		51,795,457	45,549,465

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF- Galole Constituency financial statements were approved on

13-03- 2021, and signed by:


FUND ACCOUNT MANAGER
NAME: HUSSEIN ABDULLAHI



NATIONAL SUB-COUNTY ACCOUNTANT
NAME: SOSPETER KIBOBO
ICPAK M. NO: 20424

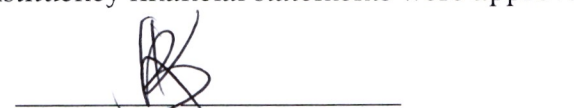
NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF)
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VII. STATEMENT OF CASHFLOW

		2019 – 2020	2018 - 2019
		Kshs	Kshs
Receipts for operating income			
Transfers from NG-CDF Board	1	137,367,724	121,794,452
Other Receipts		5,000	15,000
Total receipts		137,372,724	121,809,452
Payments for operating expenses			
Compensation of Employees	4	2,426,470	3,078,617
Use of goods and services	5	13,858,597	10,226,114
Transfers to Other Government Units	6	48,331,623	41,700,574
Other grants and transfers	7	62,965,812	50,239,179
Other Payments	9	300,000	8,485,408
Total payments		127,882,502	113,729,892
Total Receipts Less Total Payments		9,490,223	8,079,560
Adjusted for:			
Decrease/(Increase) in Accounts receivable: (outstanding imprest)	15	-	-
Increase/(Decrease) in Accounts Payable: (deposits/gratuity and retention)	16	-	-
Prior year adjustments	14	-	-
Net cash flow from operating activities		9,490,223	8,485,408
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	-	-
Acquisition of Assets	9	(3,244,231)	-
Net cash flows from Investing Activities		6,245,992	-
NET INCREASE IN CASH AND CASH EQUIVALENT		6,245,992	8,485,408
Cash and cash equivalent at BEGINNING of the year	13	45,549,465	37,469,905
Cash and cash equivalent at END of the year		51,795,457	45,549,465

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NG-CDF- Galole Constituency financial statements were approved on 13-03-2021 and signed by:


FUND ACCOUNT MANAGER
NAME: HUSSEIN ABDULLAHI


NATIONAL SUB-COUNTY ACCOUNTANT
NAME: SOSPETER KIBOBO
ICPAK MEMBER NUMBER: 20424

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – GALOLE CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2020

X. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget a	Adjustments b	Final Budget c=a+b	Actual on Comparable Basis d	Budget Utilisation Difference e=c-d	% of Utilisation f=d/c %
RECEIPTS						
Transfers from NG-CDF Board	137,367,724	69,367,724	206,735,448	182,922,190	23,813,259	88%
Proceeds from Sale of Assets						-
Other Receipts		5,000	5,000	5,000		
TOTAL RECEIPTS	137,367,724	69,372,724	206,740,448	182,927,190	23,813,259	88%
PAYMENTS						
Compensation of Employees	2,678,400	519,783	3,198,183	2,426,470	771,713	76%
Use of goods and services	9,684,695	5,025,165	14,709,860	13,858,597	851,263	94%
Transfers to Other Government Units	56,630,000	39,273,628	95,903,628	48,331,623	47,572,005	50%
Other grants and transfers	65,374,629	19,951,956	85,326,585	62,965,812	22,360,773	74%
Acquisition of Assets	3,000,000	883,600	3,883,600	3,244,231	639,369	83%
Other Payments		3,713,592	3,713,592	300,000	3,413,592	0%
Unallocated fund		5000	5000		5000	
TOTALS	137,367,724.14	69,372,724	206,740,448	131,126,733	75,613,716	64.0%

(a) The revenue items include the Appropriation in Aid (AIA) for the Year 2019/2020. The Constituency did realise Appropriation in Aid (AIA) totalling to Kshs.5000 interest.

(b) The adjustments comprise of funds for the Fiscal Year 2018/2019 not received as at 30th June 2019 (Kshs 137,367,724.10) and the Balance of the funds received but not utilised (Kshs.45,549,465 Cash Book Balance).

(c) The Constituency had no over utilization during the year. The total utilization of the Annual budget stood at 64% depicted by less fund disbursement by NG-CDF board as compared to previous year.

(d) The Compensation of Employees scored a utilization percentage of 76% for the year. This result from a balance brought forward from previous years.

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – GALOLE CONSTITUENCY

**Reports and Financial Statements
For the year ended June 30, 2020**

- (c) The Constituency had no over utilization during the year. The total utilization of the Annual budget stood at 64% depicted by less fund disbursement by NG-CDF board as compared to previous year.
- (d) The Compensation of Employees scored a utilization percentage of 76% for the year. This result from a balance brought forward from previous years.
- (e) Use of goods and services had a utilization of 94% for the year. This is also as a result of balance brought forward and late receipt of funds that did not allow the Committee to disburse all the received funds.
- (f) Transfer to other Government Entities had a utilization of 50% and this originated from fund yet to be received as at 30th June 2020.
- (g) Other Grants and Transfers stood at 74% and this resulted from the delay in receipt of funds from the Board.

The NG-CDF- Galole Constituency financial statements were approved on 13-03 2021 and signed by:



**FUND ACCOUNT MANAGER
HUSSEIN ABDULLAHI**



**NATIONAL SUB-COUNTY ACCOUNTANT
NAME: SOSPETER KIBOBO
ICPAK MEMBER NUMBER: 20424**

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – GALOLE CONSTITUENCY
Reports and Financial Statements
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IX. BUDGET EXECUTION BY PROGRAMMES AND SUB-PROGRAMMES

Programme/Sub-programme	Original Budget	Adjustments	Final Budget	Actual on comparable basis	Budget utilization difference
	2019/2020 Kshs		2019/2020 Kshs	30/06/2020 Kshs	Kshs
1.0 Administration and Recurrent					
1.1 Compensation of employees	2,678,400.00	519,783.00	3,198,183.00	2,426,470.00	771,713.00
1.2 Committee allowances	1,291,703.00	1,808,297.00	3,100,000.00	3,100,000.00	-
1.3 Use of goods and services	4,271,960.45	100,000.00	4,371,960.45	3,758,597.00	613,363.45
1.4 Capacity Building	-	-	-	-	-
Sub-Total	8,242,063.45	2,428,080.00	10,670,143.45	9,285,067.00	1,385,076.45
2.0 Monitoring and evaluation					
2.1 Capacity building	1,000,000.00	1,000,000.00	2,000,000.00	2,000,000.00	-
2.2 Committee allowances	1,000,000.00	2,000,000.00	3,000,000.00	3,000,000.00	-
2.3 Use of goods and services	2,121,031.72	116,868.00	2,237,899.72	2,000,000.00	237,899.72
Sub-Total	4,121,031.72	3,116,868.00	7,237,899.72	7,000,000.00	237,899.72
3.0 Emergency					
3.1 Emergency	-	-	-	-	-
3.2 Primary schools	7,198,241.38	5,334,233.25	12,532,474.63	12,016,131.00	516,343.63
3.3 Secondary schools	-	-	-	-	-
3.4 Tertiary institutions	-	-	-	-	-
3.5 Security projects	-	-	-	-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – GALOLE CONSTITUENCY
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3.6 Others	-	-	-	-	-	-	-
Sub-Total	7,198,241.38	5,334,233.25	12,532,474.63	12,016,131.00	516,343.63		
4.0 Bursary and Social Security							
4.1 Primary Schools							
4.2 Secondary Schools	40,000,000.00	-	40,000,000.00	30,378,893.50	9,621,106.50		
4.3 Tertiary Institutions	8,000,000.00	8,420,889.75	16,420,889.75	15,520,787.10	900,102.65		
4.4 Universities	-	-	-	-	-		
4.5 Social Security	-	-	-	-	-		
Sub-Total	48,000,000.00	8,420,889.75	56,420,889.75	45,899,680.60	10,521,209.15		
5.0 Sports							
5.1 Sport Activities	2,676,387.59	794,200.00	3,470,587.59	2,550,000.00	920,587.59		
Sub-Total	2,676,387.59	794,200.00	3,470,587.59	2,550,000.00	920,587.59		
6.0 Environment							
6.1 Kone Primary School	1,750,000.00		1,750,000.00	-	1,750,000.00		
6.2 Hola Treasury office	500,000.00		500,000.00	-	500,000.00		
6.3 Galole NGCDF office	450,000.00		450,000.00	-	450,000.00		
6.4 Kiarakungu Primary		103,000.00	103,000.00	-	103,000.00		
6.5 Daku Primary		103,000.00	103,000.00	-	103,000.00		
6.6 Lakole Primary		102,000.00	102,000.00	-	102,000.00		
6.7 Jarriot Secondary				-			

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – GALOLE CONSTITUENCY
Reports and Financial Statements
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			160,000.00	160,000.00		160,000.00
6.8 Fanjua Primary			60,000.00	60,000.00	-	60,000.00
6.9 Kalalani Primary			60,000.00	60,000.00	-	60,000.00
6.1 Kone Primary			620,000.00	620,000.00	-	620,000.00
Sub-Total	2,700,000.00	1,208,000.00	3,908,000.00	3,908,000.00	-	3,908,000.00
7.0 Primary Schools Projects						
7.1 Hola Primary school	3,600,000.00		3,600,000.00	3,600,000.00	2,900,000.00	700,000.00
7.2 Nyangwani Primary school	1,000,000.00		1,000,000.00	1,000,000.00	1,000,000.00	-
7.3 Bultumulito Primary school	700,000.00		700,000.00	700,000.00	700,000.00	-
7.4 Daku Primary school	1,200,000.00		1,200,000.00	1,200,000.00	1,000,000.00	200,000.00
7.5 Majengo Primary school	1,600,000.00		1,600,000.00	1,600,000.00	1,500,000.00	100,000.00
7.6 Gafuru Primary school	3,000,000.00		3,000,000.00	3,000,000.00	-	3,000,000.00
7.8 Gafuru Primary school	700,000.00		700,000.00	700,000.00	650,000.00	50,000.00
7.9 Bondeni Primary school	630,000.00		630,000.00	630,000.00	600,000.00	30,000.00
7.10 Mikinduni Primary school	4,400,000.00		4,400,000.00	4,400,000.00	-	4,400,000.00
7.11 Hola Primary school	2,400,000.00		2,400,000.00	2,400,000.00	2,860,000.00	(460,000.00)
7.12 Baksano Primary school	1,400,000.00		1,400,000.00	1,400,000.00	-	1,400,000.00
7.13 Makere Primary school	4,400,000.00		4,400,000.00	4,400,000.00	1,600,000.00	2,800,000.00
7.14 Kilindini Primary school	3,600,000.00		3,600,000.00	3,600,000.00	-	3,600,000.00
7.15 Handampia Primary school					-	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – GALOLE CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2020

	3,500,000.00		3,500,000.00		3,500,000.00
7.16 Kirakungu Primary school	1,800,000.00		1,800,000.00	-	1,800,000.00
7.17 Bula Primary school	2,300,000.00		2,300,000.00	-	2,300,000.00
7.18 Ongola Primary school	400,000.00		400,000.00	-	400,000.00
7.19 Yukoni Primary school	2,400,000.00		2,400,000.00	-	2,400,000.00
7.2 Kiarukungu Primary sch	2,400,000.00	-	2,400,000.00	1,600,000.00	800,000.00
7.2 Kalalani Primary sch	1,800,000.00	-	1,800,000.00	1,600,000.00	200,000.00
7.22 Jarriot Primary sch	2,700,000.00	-	2,700,000.00	800,000.00	1,900,000.00
7.23 Laza Primary sch		800,000.00	800,000.00	800,000.00	-
7.24 Daku Primary school		200,000.00	200,000.00	200,000.00	-
7.25 Lakole Primary sch		300,000.00	300,000.00	300,000.00	-
7.26 Bondeni Primary school		1,500,000.00	1,500,000.00	1,500,000.00	-
7.27 Daku Primary school		800,000.00	800,000.00	800,000.00	-
7.28 Majengo Primary school		700,000.00	700,000.00	700,000.00	-
7.29 Majengo Primary school		300,000.00	300,000.00	-	300,000.00
7.3 Laga Primary school		850,000.00	850,000.00	850,000.00	-
7.31 Jarriot Primary school		400,000.00	400,000.00	400,000.00	-
7.32 Daku Primary school		-	6,637,000.00	6,637,000.00	-
7.33 Nyangwani Primary school		1,000,000.00	1,000,000.00	1,000,000.00	-

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – GALOLE CONSTITUENCY
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7.34 Bulito Primary school		800,000.00	800,000.00	800,000.00	800,000.00	-
7.35 Daku Primary school		800,000.00	800,000.00	-	800,000.00	-
7.36 Galole Primary school		1,146,628.00	1,146,628.00	1,146,628.00	-	-
7.37 Waldera Primary school		200,000.00	200,000.00	-	200,000.00	-
7.38 Gubaru Primary school		1,700,000.00	1,700,000.00	1,700,000.00	-	-
7.39 Lakole Primary school		1,750,000.00	1,750,000.00	1,750,000.00	-	-
7.4 Nyangwani Primary school		810,000.00	810,000.00	810,000.00	-	-
7.41 Daku Primary school		850,000.00	850,000.00	850,000.00	-	-
7.42 Bondeni Primary school		170,000.00	170,000.00	160,000.00	10,000.00	-
7.43 Makere Primary school		2,860,000.00	2,860,000.00	2,860,000.00	-	-
Sub-Total	45,930,000.00	24,573,628.00	70,503,628.00	40,073,628.00	30,430,000.00	
8.0 Secondary Schools Projects						
8.1 Chewani Secondary school	2,800,000.00	-	2,800,000.00	-	2,800,000.00	-
8.2 Chanini Secondary school	2,800,000.00	-	2,800,000.00	770,024.00	2,029,976.00	-
8.3 Rafiki Secondary school	2,800,000.00	-	2,800,000.00	310,971.00	2,489,029.00	-
8.4 Daku Secondary school	2,300,000.00	-	2,300,000.00	-	2,300,000.00	-
8.5 Daku Secondary school	-	700,000.00	700,000.00	-	700,000.00	-
8.6 Wenje Secondary school	-	7,000,000.00	7,000,000.00	6,637,000.00	363,000.00	-
8.7 Majengo Secondary sch	-	7,000,000.00	7,000,000.00	540,000.00	6,460,000.00	-

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Sub-Total	10,700,000.00	14,700,000.00	25,400,000.00	8,257,995.00	17,142,005.00
9.0 Health institutions Projects					
9.1 NHIF cover	-	749,000.00	749,000.00	-	749,000.00
Sub-Total	-	749,000.00	749,000.00	-	749,000.00
10.0 Security Projects					
10.1 Hola County Commander	2,500,000.00	2,494,633.00	4,994,633.00	2,500,000.00	2,494,633.00
10.2 Hola AP Camp	600,000.00		600,000.00	-	600,000.00
10.3 Wenje Police Camp	1,700,000.00		1,700,000.00	-	1,700,000.00
10.4 Hola Prison Camp		500,000.00	500,000.00	-	500,000.00
Sub-Total	4,800,000.00	2,994,633.00	7,794,633.00	2,500,000.00	5,294,633.00
11.0 Acquisition of assets					
11.1 Motor Vehicles	-	-	-	-	
11.2 Construction of CDF Office	3,000,000.00	883,600.00	3,883,600.00	3,244,231.00	639,369.00
11.3 Purchase of furniture and equipment	-		-		-
11.4 Purchase of computers	-	-	-	-	-
Sub-Total	3,000,000.00	883,600.00	3,883,600.00	3,244,231.00	639,369.00
12.0 ROADS					
12.1					
13.0 Others					
13.1 Strategic Plan	-	2,650,000.00	2,650,000.00	-	2,650,000.00
13.2 Innovation Hub		300,000.00	300,000.00	300,000.00	-

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13.3 Galole zubaki chief's office hub		14,592.00	14,592.00		14,592.00
Sub-Total		2,964,592.00	2,964,592.00	300,000.00	2,664,592.00
14 TERTIARY PROJECTS					
14.1 Hola KMTC		1,200,000.00	1,200,000.00		1,200,000.00
sub-Total		1,200,000.00	1,200,000.00	-	1,200,000.00
GRAND TOTALS	137,367,724.14	69,367,724.00	206,735,448.14	131,126,732.60	75,608,715.54

(NB: This statement is a disclosure statement indicating the utilisation in the same format at the Funds' budgets which are programme based. Ensure that this document is completed to enable consolidation by the National Treasury)

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X. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the NG-CDF- Galole Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (Kshs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) Recognition of Receipts

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.

SIGNIFICANT ACCOUNTING POLICIES

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criterion is applied for loans received in the form of a direct payment.

During the year ended 30th June 2020, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the Entity.

Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

Use of Goods and Services

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.

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SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

7. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Funds' the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

10. Unutilized Fund

Unutilized funds consist of bank balances in the constituency account and funds not yet disbursed by the Board to the constituency at the end of the financial year. These balances are available for use in the subsequent financial year to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(2) of NG-CDF Act, 2015.

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SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2019 for the period 1st July 2019 to 30th June 2020 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

12. Comparative Figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2020.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

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XI. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2019-2020	2018-2019
		Kshs	Kshs
NG-CDF Board			
AIE NO. B	1.		55,040,875.00
AIE NO. B	2.		11,000,000.00
AIE NO. B	3.		15,000,000.00
AIE NO. B	4.		1,374,265.90
AIE NO. B	5.		10,579,310.35
AIE NO. B	6.		800,000.00
AIE NO. B	7.		6,000,000.00
AIE NO. B	8.		12,000,000.00
AIE NO. B	9.		10,000,000.00
AIE NO.B17108	10.	4,000,000.00	
AIE NO.B041271	11.	18,000,000.00	
AIE NO.B047690	12.	5,000,000.00	
AIE NO.B047879	13.	7,000,000.00	
AIE NO. B	14.	14,000,000.00	
AIE NO. B	15.	20,000,000.00	
AIE NO. B	16.	69,367,724.10	
TOTAL		137,367,724.10	121,794,451.25

2. PROCEEDS FROM SALE OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Receipts from sale of Buildings	-	-
Receipts from the Sale of Vehicles and Transport Equipment	-	-
Receipts from sale of office and general equipment	-	-
Receipts from the Sale Plant Machinery and Equipment	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEIPTS

	2019-2020	2018-2019
	Kshs	Kshs
Interest Received	5000	15,000
Rents	-	-
Receipts from Sale of tender documents	-	-
Other Receipts Not Classified Elsewhere	-	-
Total	5000	15,000

4. COMPENSATION OF EMPLOYEES

	2019-2020	2018-2019
	Kshs	Kshs
Basic wages of temporary employees	2,213,590	2,085,532.00
Personal allowances paid as part of salary	-	-
Pension and other social security contributions (Gratuity)	-	993,085
Employer Contributions Compulsory national social security schemes	212,880	
Total	2,426,470.00	3,078,617.00

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2019-2020	2018-2019
	Kshs	Kshs
Committee Expenses	6,509,300.00	6,034,450.00
Utilities, supplies and services	239,247.00	184,410.00
Communication, supplies and services	50,000.00	25000
Domestic travel and subsistence	1,200,000.00	1,010,200.00
Printing, advertising and information supplies & services	600,000.00	512,054.00
Rentals of produced assets	-	-
Training expenses	1,250,000.00	1,200,000.00
Hospitality supplies and services	200,000.00	
Insurance costs	-	
Specialized materials and services	-	
Office and general supplies and services	2,100,000.00	1,260,000.00
Other operating expenses	1,710,050.00	
Routine maintenance – vehicles and other transport equipment	-	
Routine maintenance – other assets	-	-
Strategic Plan		4,485,408.00
Total	13,858,597.00	14,711,522.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2019-2020	2018-2019
	Kshs	Kshs
Transfers to primary schools (see attached list)	32,290,000.00	15,259,723.00
Transfers to secondary schools (see attached list)	16,041,623.00	26,440,851.00
Transfers to tertiary institutions (see attached list)	-	-
Transfers to health institutions (see attached list)	-	-
TOTAL	48,331,623.00	41,700,574.00

7. OTHER GRANTS AND OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
Bursary – secondary schools (see attached list)	43,378,893.50	19,570,751.00
Bursary – tertiary institutions (see attached list)	2,520,786.50	11,000,000.00
Bursary – special schools (see attached list)	-	-
Mock & CAT (see attached list)		
Security projects (see attached list)	2,500,000.00	9,905,367
Sports projects (see attached list)	2,550,000.00	2,886,300
Environment projects (see attached list)	-	1,972,000
Emergency projects (see attached list)	12,016,131.00	4,904,760
Total	62,965,811.60	50,239,178.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

	2019-2020	2018-2019
	Kshs	Kshs
Purchase of Buildings	-	-
Construction of Buildings	3,244,231.00	-
Refurbishment of Buildings	-	-
Purchase of Vehicles and Other Transport Equipment	-	-
Overhaul of Vehicles and Other Transport Equipment	-	-
Purchase of Household Furniture and Institutional Equipment	-	-
Purchase of Office Furniture and General Equipment	-	-
Purchase of ICT Equipment, Software and Other ICT Assets	-	-
Purchase of Specialized Plant, Equipment and Machinery	-	-
Rehabilitation and Renovation of Plant, Machinery and Equip.	-	-
Acquisition of Land	-	-
Acquisition of Intangible Assets	-	-
Total	3,244,231.00	-

9. OTHER PAYMENTS

	2019-2020	2018-2019
	Kshs	Kshs
ICT Hub	300,000.00	4,000,000
Strategic Plan	-	4,485,408
	300,000.00	8,485,408

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: BANK ACCOUNTS (CASH BOOK BANK BALANCE)

Name of Bank, Account No. & currency	2019-2020	2018-2019
	Kshs	Kshs
<i>Kenya Commercial Bank, Hola Branch. Galole NG-CDF: A/C no. 1108807879</i>	51,795,457.09	45,549,465.59
Total	51,795,457.09	45,549,465.59
10B: CASH IN HAND		
Location 1	-	-
Location 2	-	-
Location 3	-	-
Total	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

<i>Name of Officer or Institution</i>	<i>Date Imprest Taken</i>	<i>Amount Taken</i>	<i>Amount Surrendered</i>	<i>Balance</i>
		<i>Kshs</i>	<i>Kshs</i>	<i>Kshs</i>
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
<i>Name of Officer or Institution</i>	dd/mm/yy	-	-	-
Total		-	-	-

12A. RETENTION

	2019 - 2020	2018-2019
	Kshs	Kshs
Supplier 1	-	-
Supplier 2	-	-
Supplier 3	-	-
Total	-	-

12B. GRATUITY DEPOSITS

	2019 - 2020	2018-2019
	Kshs	Kshs
Name 1	-	-
Name 2	-	-
Name 3	-	-
Total	-	-

13. BALANCES BROUGHT FORWARD

	2019-2020	2018-2019
	Kshs	Kshs
Bank accounts	45,549,465.59	37,469,905.00
Cash in hand		
Imprest		
Total	45,549,465.59	37,469,905.00

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
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14. PRIOR YEAR ADJUSTMENTS

	Balance b/f FY 2018/2019 as per Financial statements	Adjustments	Adjusted Balance b/f FY 2018/2019
Description of the error	Kshs	Kshs	Kshs
Bank account Balances	-	-	-
Cash in hand	-	-	-
Accounts Payables	-	-	-
Receivables	-	-	-
Others (<i>specify</i>)	-	-	-
	-	-	-

15. CHANGES IN ACCOUNTS RECEIVABLE – OUTSTANDING IMPREST

	2019 - 2020	2018 - 2019
	KShs	KShs
Outstanding Imprest as at 1 st July 2019 (A)	-	-
Imprest issued during the year (B)	-	-
Imprest surrendered during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

16. CHANGES IN ACCOUNTS PAYABLE – DEPOSITS AND RETENTIONS

	2019 - 2020	2018 - 2019
	KShs	KShs
Deposit and Retentions as at 1 st July 2019 (A)	-	-
Deposit and Retentions held during the year (B)	-	-
Deposit and Retentions paid during the Year (C)	-	-
Net changes in account receivables D= A+B-C	-	-

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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. OTHER IMPORTANT DISCLOSURES

17.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2019-2020	2018-2019
	Kshs	Kshs
Construction of buildings	-	-
Construction of civil works	-	-
Supply of goods	-	-
Supply of services	-	-
Total	-	-

17.2: PENDING STAFF PAYABLES (See Annex 2)

	2019-2020	2018-2019
	Kshs	Kshs
NG-CDFC Staff	-	-
Others (<i>specify</i>)	-	-
Total	-	-

17.3: UNUTILIZED FUND (See Annex 3)

	2019-2020	2018-2019
	Kshs	Kshs
Compensation of employees	771,713	-
Use of goods and services	851,263	-
Amounts due to other Government entities (see attached list)	47,572,005	41,000,000
Amounts due to other grants and other transfers (see attached list)	22,360,773	4,549,465.59
Acquisition of assets	639,369	-
Others (<i>specify</i>)	3,413,592	-
	5,000	
TOTAL	75,613,716	46,549,465.59

**NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

17.4: PMC account balances (See Annex 5)

	2019-2020	2018-2019
	Kshs	Kshs
PMC account Balances (see attached list)	18,000	73461.7
	-	-
Total	18,000	18,000

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – GALOLE CONSTITUENCY
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
	A	B	c	d=a-c	
Construction of buildings	-				
1.	-				
2.	-				
Sub-Total	-				
Construction of civil works	-				
3.	-				
4.	-				
Sub-Total	-				
Supply of goods	-				
5.	-				
6.	-				
Sub-Total	-				
Supply of services	-				
7.	-				
8.	-				
Sub-Total	-				
Grand Total	-				

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – GALOLE CONSTITUENCY
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ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2020	Comments
		A	B	C	d=a-c	
Senior Management						
1.		-				
2.		-				
Middle Management						
Sub-Total		-				
3.		-				
4.		-				
Unionisable Employees						
Sub-Total		-				
5.		-				
6.		-				
Others (specify)						
Sub-Total		-				
7.		-				
8.		-				
Sub-Total		-				
Grand Total		-				

NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND (NG-CDF) – GALOLE CONSTITUENCY
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ANNEX 3 – UNUTILIZED FUND

Name	Brief Transaction Description	Outstanding Balance 2019/20	Outstanding Balance 2019/2020	Comments
Compensation of employees				
Use of goods & services				
Amounts due to other Government entities				
PRIMARY		17,000,000.00	18,800,000.00	
SECONDARY		25,000,000.00	21,000,000.00	
TERTIARY		6,000,000.00	1,200,000.00	
Sub-Total		48,000,000.00	41,000,000.00	
Amounts due to other grants and other transfers				
SECURITY		3,795,457.09	4,549,465.59	
Sub-Total		3,795,457.09	4,549,465.59	
Acquisition of assets				
Others (specify)				
Sub-Total		51,795,457	45549465.59	
Grand Total				

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ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

Asset class	Historical Cost B/F (Kshs) 2018/2019	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2019/2020
Land				
Buildings and structures	8,000,000.00	3,244,231		11,244,231
Transport equipment	1,940,000.00			1,940,000.00
Office equipment, furniture and fittings	2,400,000.00			2,400,000.00
ICT Equipment, Software and Other ICT Assets	16,000,000.00			16,000,000.00
Other Machinery and Equipment				
Heritage and cultural assets				
Intangible assets				
Total	28,340,000.00			31,584,000.00

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ANNEX 5 –PMC BANK BALANCES AS AT 30TH JUNE 2020

PMC	Bank	Account number	Bank Balance 2019/20	Bank Balance 2019/2020
HARORESA PRIMARY SCHOOL PMC	KCB	1167136853		3,000.00
CHANANI SECONDARY SCHOOL	KCB	1227163924		6,000.00
RAFIKI SECONDARY SCHOOL	KCB	1227167571		7,000.00
GALOLE FOOTBALL ASSOCIATION PMC	KCB	1229961518		2,000.00
Total				18,000

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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
1.	Underpayment of Staff Salaries	Responded			
2.	Failure to Maintain Proper Fixed Asset Register	Responded			
3.	Failure to Put into Proper Use Fund Motor Vehicle and Tractors	Responded			
4.	Lack of a Constituency Oversight Committee	Responded			
5.	Weaknesses in Internal Budgeting Processes	Responded			